



NEWS RELEASE

City of Santa Barbara

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FOR IMMEDIATE RELEASE
6/24/2009

CITY COUNCIL ADOPTS BALANCED BUDGET

SANTA BARBARA, CA – 6/24/09

After two months of deliberations, the City Council unanimously adopted a balanced budget for Fiscal Year 2010 on June 23, 2009. The budget includes a total operating budget of \$238 million and a capital budget totaling \$22 million. The General Fund operating budget is \$104 million, providing funding for police, fire, parks, recreation, library, community development, and administrative services.

The City faced an estimated \$10.8 million deficit in the upcoming fiscal year beginning July 1, 2009, representing approximately 10% of the General Fund operating budget. The budget was balanced with a combination of reduced costs and enhanced revenue, involving the following measures: 1) department budget reductions; 2) citywide labor measures; 3) increased fees and charges; 4) structural budget changes; and 5) delays to capital improvements.

While most programs and services will continue, the public can anticipate some service changes. All departments will reduce spending on supplies, services, and training. With a hiring freeze in effect and employee positions reduced through attrition, 41.9 full-time equivalent (FTE) employee positions will be eliminated in the upcoming year. Delays in processing and longer wait times may be noticed at public counters.

Significant cost savings will be achieved through citywide labor measures. These measures include a 104-hour furlough or unpaid leave for managers, supervisors, and general employees over the December holiday and five other dates throughout the year. As a result, administrative offices and non-emergency facilities will close to the public on specified dates.

To generate additional revenue, the City will pursue collection of the transient occupancy and business license taxes for vacation rentals and begin a late payment fee for utility payments. Fee increases are planned for parking citations, vehicle release, building permits, land development applications, dog licenses, and park and facility events hosted

by commercial businesses. When appropriate, General Fund costs will be shifted to Enterprise Fund operations where user fee revenue should support such expenses.

Several capital improvement projects will be delayed to curtail spending in the upcoming year. The City's planned capital improvement program for General Fund facilities was reduced to \$600,000, providing funds for the Shoreline Park Safety Improvement Project, Lower Mesa Lane Steps Replacement, Oak Park Restroom Renovation, and other major projects.

Department budget reductions comprise the largest portion of the balancing measures. These cost reductions will result in limited purchases of library books and materials, decreased efficiency in zoning enforcement, and less frequent tree pruning and park maintenance activities. While school crossing guard services will no longer be provided by the City, the Police Department will work with the School District, parents, and volunteers to continue the service.

Recreation opportunities will be scaled back with fewer Concerts in the Park events this summer, cancellation of the Senior Tour Program, and closure of the Lower Westside Center. The 1235 Teen Center will be closed on Saturdays and the Oak Park Wading Pool will remain closed. Thanks to a fundraising commitment by the Friends of Los Banos, the planned elimination of the free recreation swim program at Ortega Park Pool and Sunday lap swim at Los Banos Pool will be restored.

Financial assistance to community organizations will decrease by 8.4%, the same percentage adjustment as City departments. By Council action, the Conference and Visitors Bureau and New Beginnings will continue to receive funding at current levels.

The City Council adopted the budget and acknowledged that the future of the City's financial condition remains uncertain, as major tax revenues continue to decline and the state budget deficit is unresolved. The Council expressed an interest in becoming a smaller, more efficient organization and revisiting the adopted budget in upcoming months to make modifications if needed.

Videos of Council budget discussions are available on the City's website at: www.SantaBarbaraCA.gov. When completed, the final budget document will be made available to the public at the City's website, the City Clerk's Office at 735 Anacapa Street, and the Public Library at 40 E. Anapamu Street.